

Forendo Pharma closes EUR 12 million Series A financing round to develop a novel targeted therapy for endometriosis

Stockholm, Sweden and Turku, Finland - October 22, 2014. Forendo Pharma today announced the successful closing of a EUR 12 million financing round. Novartis Venture Fund and MS Ventures will participate in the financing round, alongside the current major shareholders Karolinska Development AB, Novo Seeds and Finnvera.

The proceeds will be used to finance the further development of Forendo's clinical candidate FP-5677 up until clinical proof-of-concept for the treatment of endometriosis. FP-5677 inhibits the enzyme 17-beta-hydroxysteroid dehydrogenase 1 (HSD17B1) – and is a novel drug with potential to become the first specific treatment for endometriosis through organ specific regulation of estrogen hormone activity. Forendo will also progress early phase programs from its HSD platform for other hormone dependent diseases.

Endometriosis is a chronic disease affecting up to 10% of the women between adolescence and menopause. There is a large unmet medical need as the current available therapies are unspecific systemic inhibition of estrogens with menopausal-like adverse effects, symptomatic pain medication, and surgery, leaving many patients without satisfactory relief of their chronic pelvic pain either because of poor efficacy or poor tolerability. The total annual societal cost of endometriosis in Europe and the USA is estimated to be beyond 100 billion Euros.

"We are proud and delighted to welcome Novartis Venture Fund and MS Ventures as new shareholders and Anja König from Novartis Venture Fund, and Hakan Goker from MS Ventures to complement our board. These important international investors will significantly expand our network of experts and potential partners from the main markets to secure our success with this new invention. The successful financing round and the strong investor base is allowing us to progress with optimal speed through the critical development steps ahead of us", said Risto Lammintausta, CEO of Forendo Pharma.

"We are excited to join Forendo on their journey to develop novel medicines in endometriosis. We are particularly impressed with Forendo's experienced and committed team", said Dr. Anja König, Managing Director at Novartis Venture Fund.

Dr. Hakan Goker, Investment Director at MS Ventures, the strategic corporate venture capital fund of Merck Serono, the biopharmaceutical division of Merck, commented, "We look forward to working with this team of experienced repeat entrepreneurs to advance the unique findings and biology of HSDs in endometriosis and other indications, hopefully leading to paradigm changing therapies for these diseases with high unmet medical need".

"Our investment in Forendo is an excellent example of Karolinska Development's investment strategy in action. We look forward to collaborate in the future value creation process together with the qualified life science co-investors in this exciting women's health program", said Bruno Lucidi, CEO, Karolinska Development.

For further information, please contact:

Risto Lammintausta, CEO, Forendo Pharma OY

Tel: +358 (0)40 310 8010, e-mail: risto.lammintausta@forendo.com

Bruno Lucidi, CEO, Karolinska Development AB

Phone: +46 (0)72 245 9892, e-mail: bruno.lucidi@karolinskadevelopment.com

TO THE EDITORS

About Forendo Pharma Oy

Forendo Pharma is a drug development company based in Turku, Finland. Its core competence resides in organ specific hormone mechanisms, giving new opportunities to unmet needs in women's and men's health. The key programs are HSD17B1 enzyme inhibitor , FP-5677, aimed for a novel specific treatment of endometriosis and fispemifene, a program with positive Phase II data in treatment of secondary hypogonadism and with disease model data in lower urinary tract symptoms and chronic prostatitis.

Forendo has recently signed a licensing agreement for fispemifene development and marketing in USA with Apricus Biosciences Inc.

The core team of Forendo includes pioneers within Finnish drug development and leading academic professionals in endocrinology.

Forendo is supported by leading Nordic VC investors Karolinska Development AB, Novo Seeds and Finnvera with international venture groups, Novartis Venture Fund and MS Ventures joining now.

Further information is available at www.forendo.com.

About Karolinska Development AB

Karolinska Development aims to create value for patients, researchers, investors and society by developing innovations from world class science into differentiated products that can be partnered. The business model is to: **SELECT** the most commercially attractive medical innovations that can potentially satisfy unmet medical needs; **DEVELOP** innovations to the stage where the greatest return on investment can be achieved; and **COMMERCIALIZE** the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading universities, delivers a continuous flow of innovations. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on NASDAQ OMX (KDEV). Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.

For more information on other co-investors in Forendo Pharma, please visit:

www.novoseeds.dk

www.finnvera.fi

www.venturefund.novartis.com

www.ms-ventures.com